Losses to Indian IT industries

1097. DR. V. MAITREYAN : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that the Indian IT industry is being severely affected due to the melt down of the US markets during the last few months;

(b) if so, the level of losses to the Indian IT industries;

(c) the steps being taken to prevent such huge losses in revenues due to the impact of US markets; and

(d) the expected loss of revenue due to the US economic collapse?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) The financial meltdown in the US has had an impact on many sectors including IT and BPO. While it is unlikely that there may be an immediate impact on existing contracts, some additional and/or new contracts could get deferred for some time.

(b) to (d) As per National Association for Software and Services Companies (NASSCOM), financial performance is only available for publicly listed companies. The top 12 publicly listed companies have reported a year on year growth of around 20% for the quarter ended September 2008 compared to about 24% for a similar period last year.

These companies have reported an aggregate of about USD 1140 million in net profits for the quarter ended September 2008, in comparison to USD 1165 million for the same period last year-a reduction of about 2%.

Most companies are working to increase their levels of utilization of resources and assets and are looking to optimize utilization of personnel within the organization. By ensuring that asset and resource utilization is improved, the impact of the meltdown could be mitigated.

Mobile market

1098. SHRI V. HANUMANTHA RAO: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether India has become one of the second largest mobile markets in the world;

(b) whether India stood at 260 million at the end of March as compared to 262 million in USA;

(c) whether total number of subscribers as on date have gone past those in US and whether monthly additions have averaged about 2 million;

(d) if so, whether inspite of this there are still demands in rural areas and whether we have not been able to provide mobiles to them; and

(e) if so, the concrete steps and measures Government proposes to take to improve position in the country further and whether any target has been set for the purpose during 2009-10?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Yes, Sir.

(b) and (c) India's wireless telephones stood at 261.08 million at the end of March 2008 as compared to 257.74 million in United States of America (USA). With the average additions of about 9 million wireless subscribers per month, India has 325.73 million wireless subscribers as on 31.10.2008.

(d) There is demand of wireless telephones in rural areas and on an average about 3 million rural wireless telephones are being provided every month in the country.

(e) The following steps are taken/being taken by the Government to further expand the mobile network in rural areas:

(i) A scheme has already been launched by Government under Universal Service Obligation (USO) Fund to provide subsidy support for setting up and managing 7871 number of infrastructure sites (towers) in 500 district spread over 27 states for provision of mobile services in the specified rural and remote areas of the country, where there is no existing fixed wireless or mobile coverage. As on 31.10.2008, about 1934 towers in the country have already been set up under this scheme.

(ii) Further, it is proposed to cover other uncovered areas in the country through mobile services by installing about 11,000 additional towers in the second phase.

(iii) BSNL has proposed to increase its mobile telephone capacity by 93 million lines to meet the requirement of mobile services in its area of operation for the next three years.

In the eleventh five year plan, it has been envisaged to provide 100 million rural telephone connections by the end of 2009-10 and 200 million by the end of March 2012. There are about 109.05 million subscribers in the rural areas as on 31.10.2008. BSNL has tentatively planned to add 13.2 million connections in its area of operation during 2009-2010.

India as product nation in software programming

1099. SHRI JESUDASU SEELAM:
SHRIMATI SUPRIYA SULE:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether India needs to surpass from being a purely back office and software programming nation to a product nation;